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Preface Washington State Competitive Contracting Manual

Why guidance and not rule?

Given the varied nature of the services being performed by state agencies, the Department of General Administration (GA) has developed this guidance manual as a companion to the competitive contracting rules. A guidance manual provides agencies with flexibility and discretion to manage competitive contracting to suit their specific missions, objectives, and situations.

Who should use this manual?

This manual is intended for agency senior to mid-level employees and managers who are familiar with the following:

- RCW 41.06.142 & WAC 236-51 (Enabling statute and rules)
- RCW 41.80 and the state's collective bargaining agreements
- State purchasing authorities and their role in the state's acquisition of goods and services
- Data analysis and data driven decision making
- Project management and control
- Finance and costing
- Strategic planning and operations
- Budgeting
- Contracting
- Quality assurance and control

The manual is not intended to require nor create expertise in these areas

How is the manual organized?

The manual is organized to follow the competitive contracting process outlined in *WAC 236-51 Competitive Contracting*. It provides examples and illustrations that assist the reader in digesting the material quickly. **GA's Competitive Contracting Website** provides standard templates consistent with responsibilities outlined in WAC 236-51-300. The use of this manual and accompanying templates are intended to:

- Provide a strategic process that is aligned with the state's budget and priorities of government, collective bargaining, civil service rules and guidance, as well as procurement and human resource processes and systems
- Provide a "cost of government services" methodology to support an agency's assessment of service delivery costs
- Reduce variation in the competitive contracting process
- Conserve agency resources by eliminating the need for each agency to start from scratch

In addition, the use of this manual indirectly supports the following competitive contracting program goals:

- A fair and consistently applied set of rules and processes that are easily understood by all stakeholders
- A competitive and informed employee and vendor community
- The development of competitive skills and attitudes within an agency that promote efficiency and cost effectiveness regardless of whether or not a service is competitively contracted
- An increased “free market” approach within government operations, not just in external contracting
- The encouragement of process improvements that result in cost savings and efficiencies in the delivery of government services

How does the manual map to the competitive contracting process?

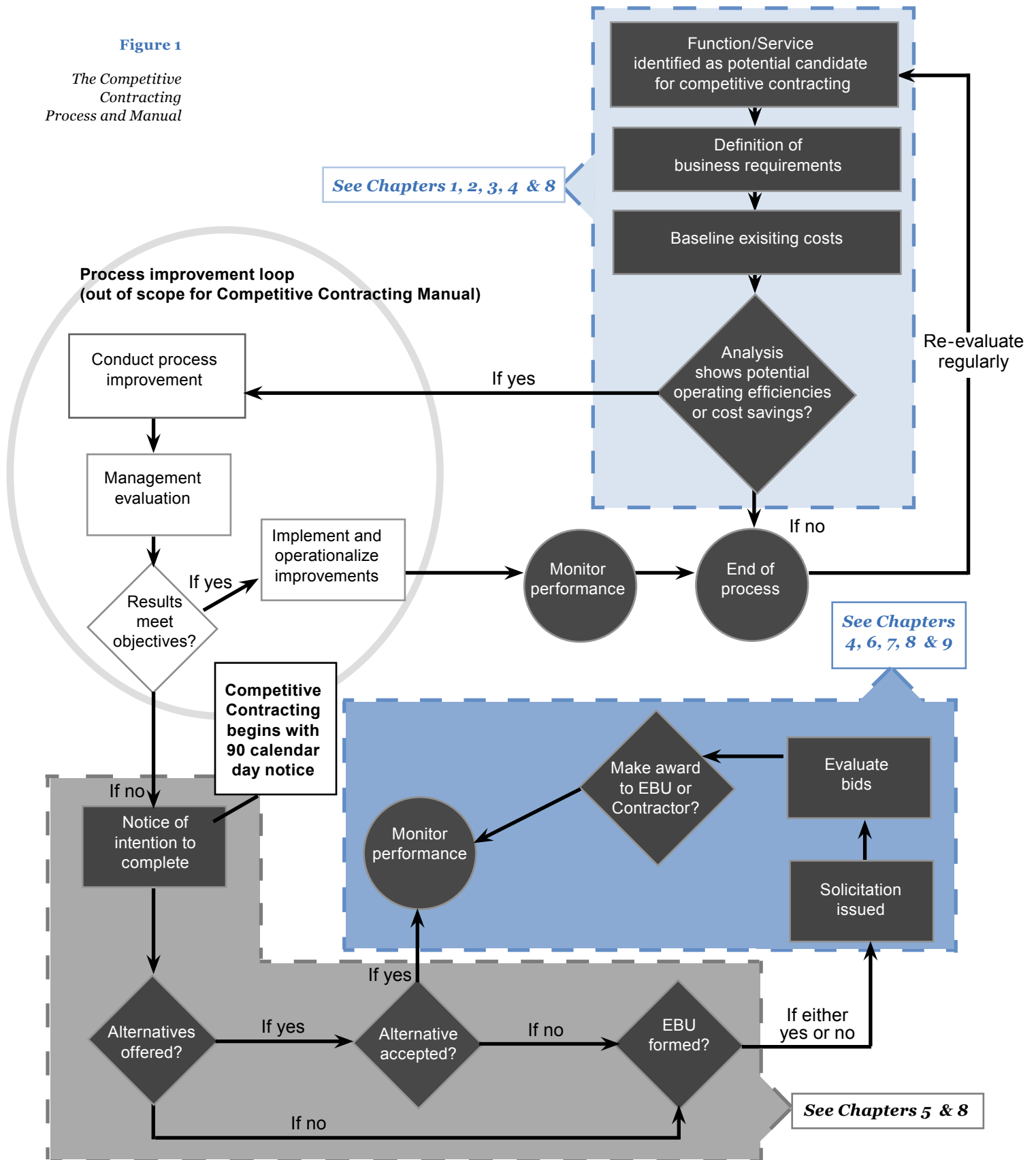
The manual’s nine chapters closely follow the competitive contracting process flow. Figure 1 illustrates this relationship and is provided to help the users of this manual understand the context of each chapter. As one can see in *Figure 1*, a number of chapters apply across the entire process.

Once an agency has determined that a service has been customarily and historically provided by state employees, how does it know if the provisions of WAC 236-51-005 and WAC 236-51-006 apply?

In *Figure 2*, a decision matrix is provided to aid in determining the degree to which the competitive contracting process will be applied. Guidance in making the initial determination as to whether a service has been customarily and historically provided by state employees is outside the scope of this manual. The rationale here is that prior to RCW 41.06.142 being in effect, agencies made this same determination when deciding whether or not to contract services.

Figure 1

The Competitive Contracting Process and Manual



Competitive Contracting Decision Matrix

| Step 1: Determine if the competitive contracting process applies | | yes or no |
|--|---|------------------|
| 1. Is the Employee(s) position or work listed as exempted in RCW 41.06.070? | If yes, cc does not apply If no, proceed to question 2 | |
| 2. Is the service being considered... ((see below) (reference RCW 41-06-142 (3)) | | |
| 2.1. Expressly mandated by the legislature? | If yes, cc does not apply If no, proceed to question 2.2 | |
| 2.2. Authorized by law prior to July 1, 2005? | If yes, cc does not apply If no, proceed to question 3 | |
| 3. Does the solicitation qualify as an emergency purchase as defined in WAC 236-51-005 (2)? | If yes, cc does not apply If no, proceed to step 2, question 4 | |
| Step 2: If applicable, fulfill the agency's obligations under collective bargaining prior to embarking on an analysis of the present service delivery model and any opportunity available via competitive contracting | | yes or no |
| 4. Is all or part of the service being considered for competitive contracting being performed by a bargaining unit? | If yes, proceed to 4.1 If no, proceed to 4.2 | |
| 4.1. The agency shall: <ul style="list-style-type: none"> • Contact its liaison at the LRO; • Notify the bargaining unit's exclusive representative that it is considering competitive contracting as an option to achieve cost savings or efficiency improvements • Respond as required by law to any requests for information or bargaining • Conduct analysis. | | |
| 4.2. The agency shall: <ul style="list-style-type: none"> • Contact its liaison at the LRO • Evaluate and determine if a decision to competitively contract may have an effect on work that involves bargaining unit employees. If yes, proceed to the next bullet. If no, proceed to step 3. • Respond as required by law to any requests for information or bargaining • Conduct analysis. | | |

Figure 2

| Step 3: Determine if employees will be displaced | | | yes or no |
|---|---|--|------------------|
| 5. As a result of a competitive contracting award, will the position or work... | | | |
| 5.1. Be eliminated and result in an employee being laid-off? | If yes, proceed to step 4 If no, proceed to question 5.2 | | |
| 5.2. Be eliminated and result in an employee being assigned to a different classification? | If yes, proceed to step 4 If no, proceed to question 5.3 | | |
| 5.3. Not result in an employee's displacement (layoff or re-classification) but bargaining unit employee(s) are involved with the work? | If yes, the agency shall: <ul style="list-style-type: none"> • Contact its liaison at the LRO • Notify any applicable employee organization(s) that it is contracting as an option to achieve cost savings or efficiency improvements and therefore, as a result, may have an affect on work being performed by the bargaining unit • Respond as required by law to any requests for information or bargaining • Solicit bids as described in WAC 236-51-006 If no, the agency solicits bids as described in WAC 236-51-006 | | |
| Step 4: Conduct the competitive contracting solicitation according to applicable laws, rules, and the guidance outlined in this manual | | | |

Where can readers provide feedback on this manual?

Agencies and employees using this manual are encouraged to provide GA with input, feedback, and lessons learned in order to assist in the ongoing development of best practices throughout state government. Suggestions and feedback related to this manual may be submitted to:

Assistant Director, Office of State Procurement

210 11th Ave SW, Room 201 GA Bldg

PO Box 41017

Olympia, WA 98504-1017

Phone: (360) 902-7400, Fax: 360-586-4944,
or email at pcamail@ga.wa.gov

Additional resources that agencies and employees may consider include, but are not limited to:

- Competitive Contracting Consulting Services (GA Contract 31703)
- General Administration, Office of State Procurement
- Department of Information Services
- Labor Relations Office (LRO), Office of Financial Management
- DIS Management and Oversight of Strategic Technologies Division
- Agency Contract Administration
- Department of Personnel
- Office of Financial Management